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SUBJECT: BASRAH GOVERNOR: REGIONS FORMATION IMMINENT
REF: BAGHDAD 2448

Classified By: Deputy Political Counselor Brian Shukan for reasons 1.4
(b) and (d).

¶1. (C) Summary: "We are in the last steps" to making Basrah a region, said Governor Waeli in an August 6 conversation with poloffs. Waeli said the necessary signatures had already been collected and expressed confidence that the delay over the passage of the elections law would provide further impetus to proceed with regions formation, which he said already enjoyed widespread support due to central government failures. He forecast that ISCI was in "its last days" and confirmed that the Fadilah Party had entered into an alliance with Ayad Allawi and other independents due to public dissatisfaction with religious parties. Waeli said that Basrah remained stable and referred to Muqtada al-Sadr's recent declaration (reftel) as a "real dissolution" of Jaysh al-Mahdi. End Summary.

Regions Formation Imminent

¶2. (C) Appearing gleeful as he received updates on elections law negotiations via text messages, Waeli predicted that "the elections law will be delayed for two months, and we will accelerate our plans to make Basrah a region." He said that an organization run by his cousin, Abdel Latif Waeli, had collected the necessary signatures and that the formal process could begin as early as August. Waeli added that "the first stage" was transforming Basrah into a region, but that later adjacent governorates of Muthanna and Maysan could be added to the region.

Central Government Failures

¶3. (C) Waeli said that "all Basrawis" supported regions formation due to the failures of the central government. "We have the resources, but the government restricts us and confines us," he complained, listing a series of offenses: a provincial development budget of only \$150 million; Safa al-Safi's misuse of development funds; and central government efforts to restrict provincial authorities. Waeli also expressed frustration over the activities of the Iranian consulate in Basrah, saying that he wrote an official letter to Prime Minister Maliki demanding its closure but that "until now the government has done nothing." He outlined future development plans for Basrah, including the building of a 'new city' along the coastline, and predicted that Basrah would eventually be known as the "Dubai of Iraq." Waeli added that several countries, including Turkey, Germany, and Kuwait, were in discussions to open consulates in Basrah.

"Last Days" for ISCI and JAM

¶4. (C) Asked about elections, Waeli declared that ISCI is in "its last days" and would retain only a fraction of its current strength following provincial elections. "The people

are against the parties," he explained, "they are against ISCI and especially Da'wa, but we in Fadilah have formed an alliance with Allawi and the independents and we will do well in the elections." Waeli said that Muqtada's recent statement amounted to a "real dissolution" of Jaysh al-Mahdi and predicted that Sadr would eventually play a larger role in Iraqi politics. He acknowledged that Maysan Governor Adil Mohder al-Maliki was in a "difficult position" following the recent government offensive but speculated that Adil had struck a deal with the central government to remain in power.

Comment

15. (C) Although the institutional and legal hurdles to regions formation are formidable, merely beginning the formal process would constitute a serious challenge to both the central government and ISCI's ambitious goal of a nine-governorate southern region. It may also lead to similar efforts from other southern governorates. This in turn could pose an added challenge to fragile security gains in Basrah, Maysan, and elsewhere. Based on numerous contacts, we assess that support for regions formation in Basrah is widespread. While assessments of public opinion in Basrah clearly reflect more confidence in central rather than provincial government, Waeli is probably also correct in surmising that many Iraqis will react to the delay in provincial elections by turning to regions formation as a means to vent their frustration over the status quo. End

Comment.

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